


INSIGHT



CONSUMER HEALTH SECTOR SNAPSHOT

July 2019

BOURNE PARTNERS

Consumer Health – Transaction Comps

Consumer Health - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic			EV / LTM		
				Location	Enterprise Value	LTM Revenue	LTM EBITDA	Revenue	EBITDA
Jun-19	Trimb Healthcare AB	Karo Pharma will Trimb Healthcare from Avista Capital Holdings. Karo will take ownership of all Trimb brands	Karo Pharma AB	Sweden	\$360.6	\$98.6	\$15.9	3.7x	22.7x
Feb-19	OTC-Business of Moberg Pharma AB	Divestment of OTC portfolio including Kerasal, New Skin, Dermoplast, Domeboro, Emtrix, and Zammira	RoundTable Healthcare & Signet Healthcare Partners	Sweden	155.0	48.8	\$11.0	3.2x	14.1x
Dec-18	Nutrisystem	Nutrisystem, provides weight management products and services for women and men in the United States	Tivity Health	USA	1,340.7	692.7	88.4	1.9x	15.2x
Oct-18	SlimFast/Health and Nutrition Systems	SlimFast/Health and Nutrition Systems offers weight management, and health and wellness products.	Glanbia	USA	350.0	NA	NA	NA	NA
Apr-18	Consumer Health Business of Merck	Procter & Gamble Overseas India purchased 51.8% of Merck's consumer health business	Procter & Gamble Overseas India	Germany	8,048.7	NA	NA	NA	NA
Apr-18	Humco Holding Group	OTC arthritis pain relief lotions and home remedy products. It offers household and farm, first aid, laxative/antacid, and health and beauty products	Fagron Group	USA	70.0	32.0	NA	2.2x	NA
Mar-18	Novartis AG	GSK takes full control of Sensodyne, Panadol, Voltaren, and Nicotinell, among others from Novartis	GlaxoSmithKline	United Kingdom	35,665.9	9,909.3	NA	3.6x	NA
Sep-17	Teva Pharmaceutical	Women's Health OTC Brands including Plan B	Foundation Consumer Healthcare	USA	675.0	140.0	NA	4.8x	NA
Feb-17	Anusol and Rectinol (J&J Brands)	OTC hemorrhoid care ointments of Johnson & Johnson	Church & Dwight	Canada	130.0	24.0	NA	5.4x	NA
Jan-17	Cold-Eeze®	OTC cough, cold, and allergy brand	Mylan (Meda Consumer Healthcare)	USA	50.0	19.1	NA	2.6x	NA
Jun-16	Nutraceutix	Specialty pharma company that develops and commercializes Rx, OTC, and nutritional products	Probi USA	USA	107.5	35.7	8.6	3.0x	12.5x
May-16	ReNew Life Formulas	Basket of OTC brands representing a variety of indications	The Clorox Company	USA	290.0	115.0	NA	2.5x	NA

Notes:

NA - Not Available

NM - Not Meaningful

Median	\$320.0	\$73.7	\$13.5	3.1x	14.6x
Mean	3,937.0	1,111.5	31.0	3.3x	16.1x
Min	50.0	19.1	8.6	1.9x	12.5x
Max	35,665.9	9,909.3	88.4	5.4x	22.7x

Consumer Health – Trading Comps

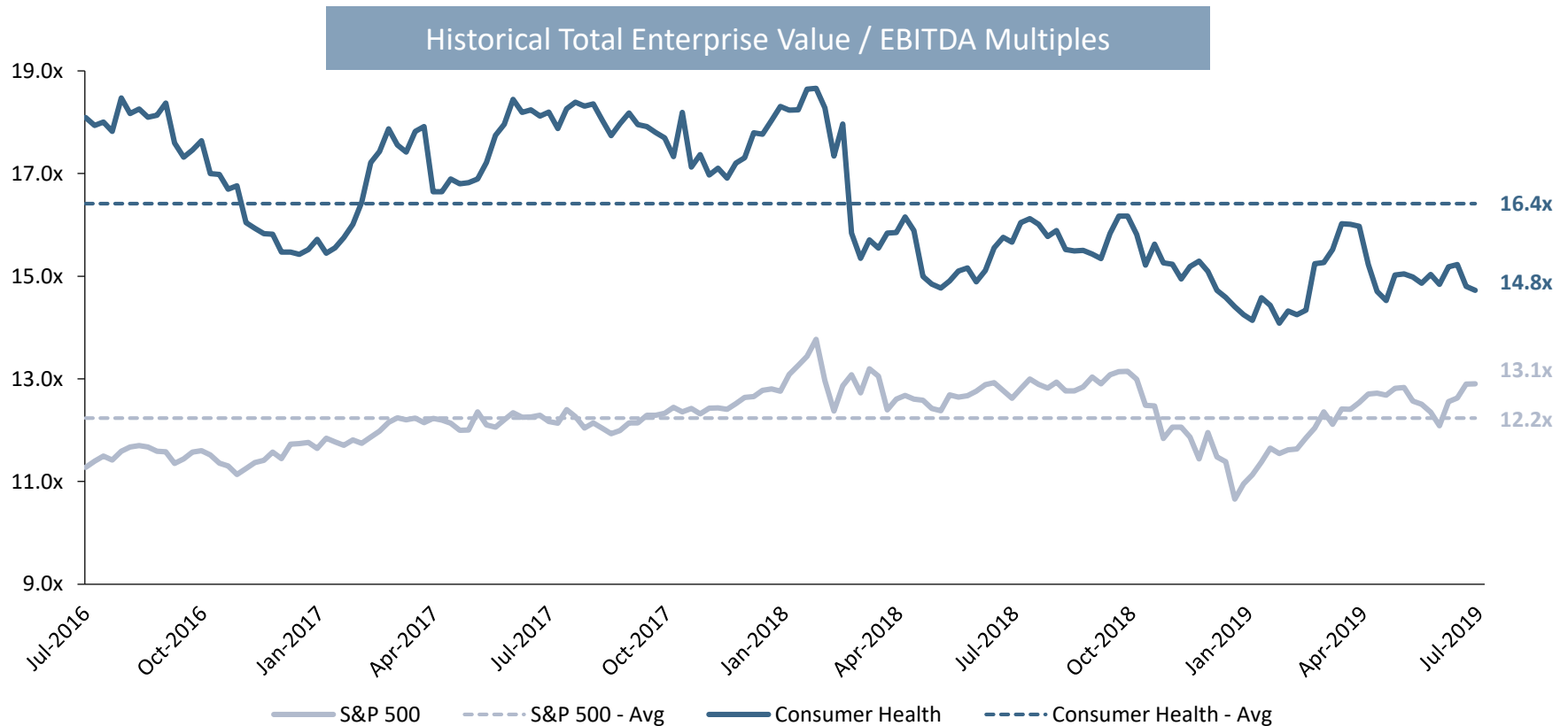
Consumer Health - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
Blackmores Limited	ASXBKL	\$1,185.5	\$445.5	\$77.2	\$70.6	61.6%	17.3%	15.8%	2.7x	15.4x	16.8x	6.5%	6.8%	1.0x
Boiron SA	ENXTPA:BOI	536.0	691.8	149.0	124.1	56.5%	21.5%	17.9%	0.8x	3.6x	4.3x	1.3%	0.9%	0.0x
Church & Dwight Co., Inc.	NYSE:CHD	20,224.2	4,184.6	956.2	812.2	44.5%	22.9%	19.4%	4.8x	21.2x	24.9x	10.0%	11.0%	2.1x
Medifast, Inc.	NYSE:MED	1,349.4	568.3	83.1	79.1	75.7%	14.6%	13.9%	2.4x	16.2x	17.1x	1.0%	0.9%	0.0x
Nature's Sunshine Products, Inc.	NasdaqCM:NATR	150.8	368.7	21.1	11.4	73.9%	5.7%	3.1%	0.4x	7.1x	13.2x	16.2%	14.2%	1.2x
Nu Skin Enterprises, Inc.	NYSE:NUS	2,818.0	2,686.4	412.1	328.4	76.6%	15.3%	12.2%	1.0x	6.8x	8.6x	18.5%	19.9%	1.3x
Prestige Consumer Healthcare Inc.	NYSE:PBH	3,392.2	975.8	332.0	300.2	57.4%	34.0%	30.8%	3.5x	10.2x	11.3x	53.0%	111.0%	5.4x
Reckitt Benckiser Group plc	LSE:RB.	69,925.7	16,055.1	4,667.3	4,277.3	60.6%	29.1%	26.6%	4.4x	15.0x	16.3x	21.7%	26.8%	3.3x
Median						61.1%	19.4%	16.9%	2.5x	12.6x	14.8x	13.1%	12.6%	1.3x
Mean						63.3%	20.1%	17.5%	2.5x	11.9x	14.1x	16.0%	23.9%	2.0x
Min						44.5%	5.7%	3.1%	0.4x	3.6x	4.3x	1.0%	0.9%	0.0x
Max						76.6%	34.0%	30.8%	4.8x	21.2x	24.9x	53.0%	111.0%	5.4x

- In the Consumer Health space, the median EV / Sales and EV / EBITDA are 2.5x and 12.6x respectively

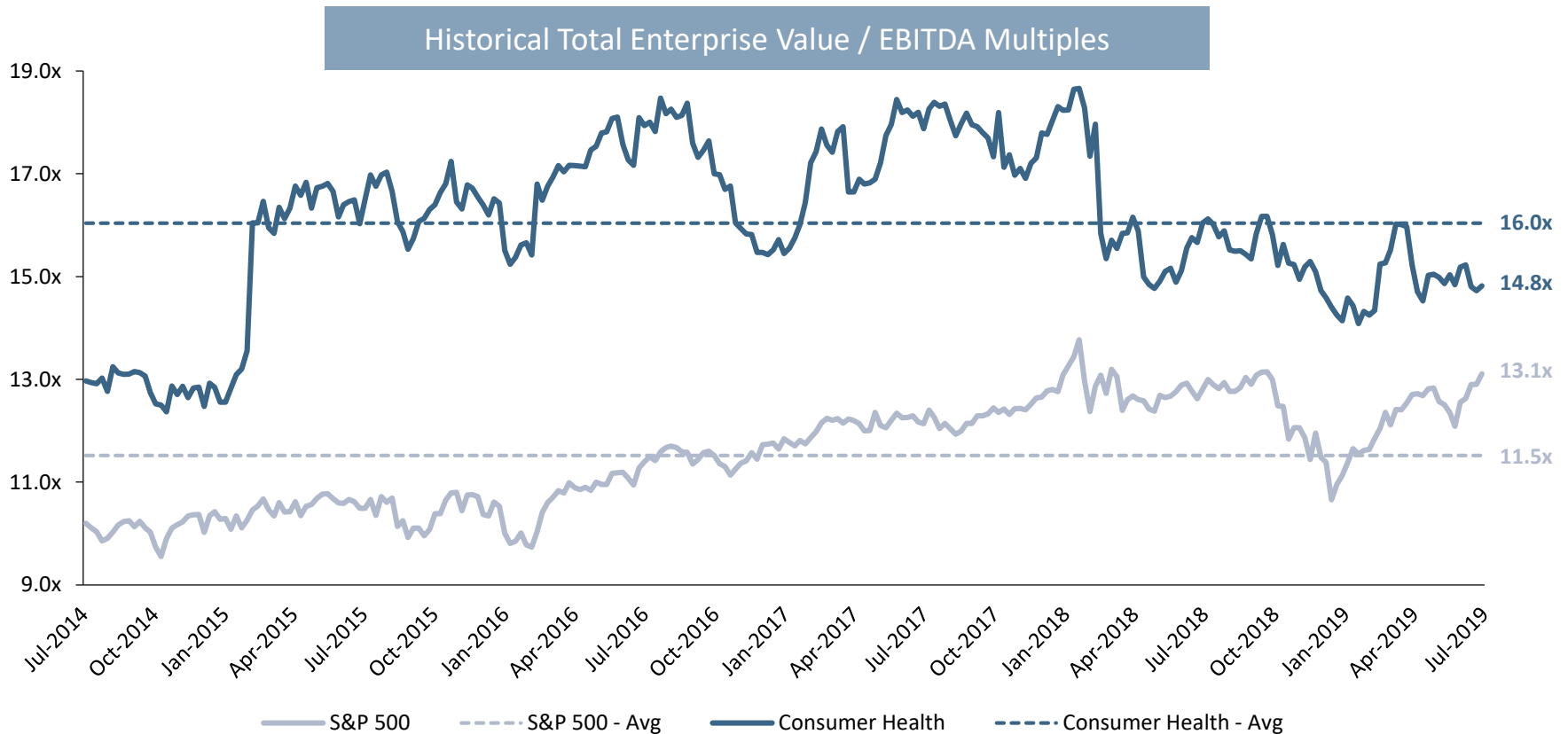
Valuation Trends – Last 3 Years



- The current Consumer Health EV / EBITDA multiple sits at 14.7x – a decline over the 3 year period
- The current sector EV / EBITDA multiple still remains above the S&P 500 EV / EBITDA multiple

Consumer Health basket consists of: Blackmores Limited (ASX:BKL), Boiron SA (ENXTPA:BOI), Church & Dwight Co., Inc. (NYSE:CHD), Medifast, Inc. (NYSE:MED), Nature's Sunshine Products, Inc. (NasdaqCM:NATR), Nu Skin Enterprises, Inc. (NYSE:NUS), Prestige Consumer Healthcare Inc. (NYSE:PBH), Reckitt Benckiser Group plc (LSE:RB.)

Valuation Trends – Last 5 Years



- The 5 year view of the Consumer Health EV / EBITDA sector shows a slightly different view than the decline shown in the last 3 years
- The current Consumer Health EV / EBITDA multiple sits the 5 year average

Consumer Health basket consists of: Blackmores Limited (ASX:BKL), Boiron SA (ENXTPA:BOI), Church & Dwight Co., Inc. (NYSE:CHD), Medifast, Inc. (NYSE:MED), Nature's Sunshine Products, Inc. (NasdaqCM:NATR), Nu Skin Enterprises, Inc. (NYSE:NUS), Prestige Consumer Healthcare Inc. (NYSE:PBH), Reckitt Benckiser Group plc (LSE:RB.)

1) Source: S&P Capital IQ, as of end Q2 2019

Valuation Trends (Current, 3 – 5 Year, & LTM Comparisons)

- Below are the current EV / EBITDA multiples for each sector:
 - Consumer Health: 14.7x (13.1% above current S&P 500 multiples)
 - S&P 500: 13.1x
- Below are the average EV / EBITDA multiples for each sector over the last 3-5 years:
 - Consumer Health: the current multiple is -9.7% below its 3 year average, -7.6% below its 5 year average
 - S&P 500: 11.5x (5 year average), 12.2x (3 year average)
- Below are the % change in EV / EBITDA multiples for each sector over the last 3-5 years (and LTM):
 - Consumer Health: +14.3% in the last 5 years, -18.6% in the last 3 years (-7.6% LTM)
 - S&P 500: +28.5% in the last 5 years, +16.2% in the last 3 years (+2.4% LTM)